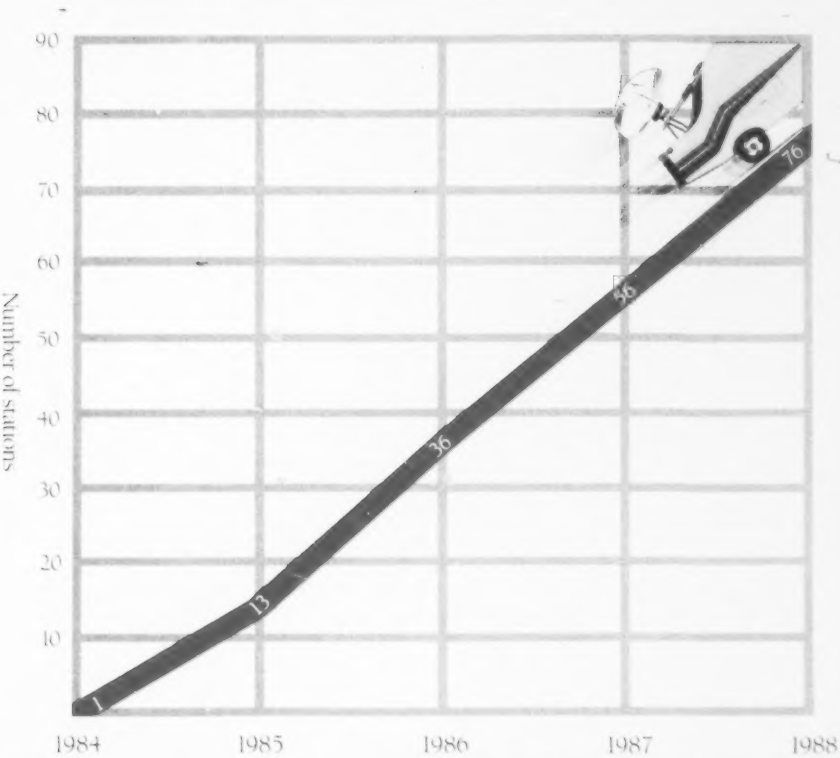
8/3/88 The Fifth Estate C1750-1

RADIO TELEVISION CABLE SATELLITE

Broadcasting Aug 1



They said it would be all uphill.

They were right. Now 76 stations are getting news whenever and wherever it breaks through Conus.

Local stations are also getting our special coverage packages (like the Moscow summit and Seoul Olympics). They're using our services to guarantee control of their most important product. News.

CONUS®

To learn more call Charles H. Dutcher III, 612/642-4645. Or Write Conus, 3415 University Ave., Mpls., MN 55414.

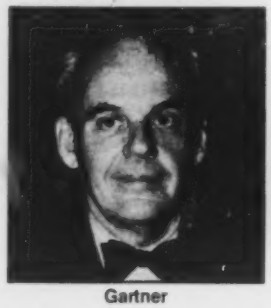
And drive with us to the top.

57th Year 1988

Broadcasting Aug 1

Vol. 115 No. 5

NBC's new newsman . . . Network replaces NBC News President Lawrence Grossman, whose four-year



Gartner

Grossman

tenure ends Aug. 1, with Michael Gartner, visible name in world of print journalism. **PAGE 27.**

Indecency activity . . . FCC wins qualified victory in appeals court on indecency. **PAGE 28.** Decision appears to sidetrack Senator Jesse Helms's amendment requiring 24-hour ban on indecency. **PAGE 29.**

Hollywood: Part II . . . In this second part of special report on "The Powers That Be in Hollywood," BROADCASTING assembles mini-profiles of leading independent television program producers, group consistently providing more and more network TV programing. **PAGE 35.**

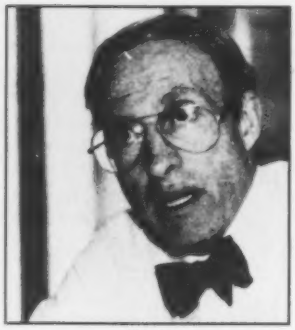
30/**MORE TALK**
Federal mediator schedules more discussion between negotiating committees for Writers Guild of America and producers.

31/**EXAMINING NETWORK RESTRICTIONS**
FCC plans to reopen proceeding to eliminate ban against networks owning cable systems and also to suggest eliminating two-year network-affiliate contract.

32/**CLOSED SHOP**
AGB Television Research suspends national peoplemeter TV ratings service following its merger with Media Mark Research.

32/**CORDAY TO CBS**
Barbara Corday joins CBS as executive VP of prime time programs, becoming, according to network, highest ranking female network programing executive in medium's history.

50/**REFLECTIONS ON CHANGE**
Thirty-year CBS veteran Robert Hosking has guided CBS Radio as its president for almost eight years. In this "At Large" with BROADCASTING editors, Hosking took time before his retirement July 29 to reflect on changes in medium and CBS's positioning for future.



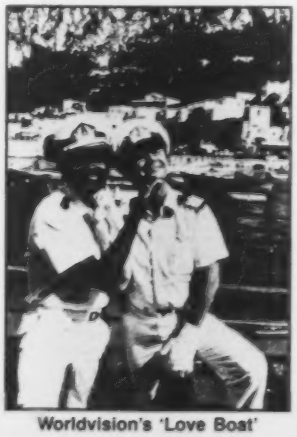
Hosking

53/**STATESIDE**
Improved satellite delivery and better programing are translating into increased memberships for state radio networks and more business from national advertisers.

56/**CONVENTION NOTES**
In light of poor ratings for this year's Democratic convention, commercial broadcast networks begin reevaluation of how to cover 1992 national political gatherings.

59/**SLOW SECOND**
Publicly held station group owners report slow second quarter.

59/**TOGETHER**
Aaron Spelling Productions and Worldvision Enterprises agree to merge, hoping that production company and distributor will complement each other.



Worldvision's 'Love Boat'

60/**CONSUMER FOCUS**
Attendance for Cable Television Administration & Marketing Society's annual meeting is up this year with 1,700 cable executives headed to Boston to discuss "Serving Tomorrow's Consumer Today."

87/**ONE-TWO PUNCH**
Seth Abraham has turned his passion for sports into business of making HBO cable sports power.

DEPARTMENTS

Advertisers Index	86
At Large	50
Business	59
Cablecastings	67
Changing Hands	62
Closed Circuit	10
Datebook	22
Editorials	90
Fates & Fortunes	84
Fifth Estater	87
For the Record	68
In Brief	88
Journalism	56
Law & Regulation	64
Masthead	24
The Media	55
Monday Memo	21
On Radio	53
Open Mike	25
Programing	46
Riding Gain	54
Special Report	35
Stock Index	58
Syndication Marketplace	47
Where Things Stand	11

Broadcasting (ISSN 0007-2028) is published 52 Mondays a year by Broadcasting Publications Inc., 1705 DeSales Street, N.W., Washington, D.C. 20036. Second-class postage paid at Washington, D.C., and additional offices. Single issue $2 except special issues $3.50 (50th Anniversary issue $10). Subscriptions, U.S. and possessions: one year $70, two years $135, three years $190. Canadian and other international subscribers add $20 per year. U.S. and possessions $235 yearly for special delivery, $100 for first-class. Subscriber's occupation required. Annually: *Broadcasting* □ *Cablecasting Yearbook* $110, *Across the Dial* $6.95. Microfilm of *Broadcasting* is available from University Microfilms, 300 North Zeeb Road, Ann Arbor, Mich. 48106 (35mm, full year $55). Postmaster, please send address corrections to *Broadcasting*, 1705 DeSales St., N.W., Washington, D.C. 20036.

BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING			
SERVICE	**ON AIR**	**CP's[1]**	**TOTAL ***
Commercial AM	4,913	287	5,199
Commercial FM	4,085	565	4,650
Educational FM	1,339	297	1,636
■ Total Radio	10,337	1,149	11,485
FM translators	1,585	435	2,020
Commercial VHF TV	543	18	561
Commercial UHF TV	501	200	701
Educational VHF TV	119	6	125
Educational UHF TV	215	30	245
■ Total TV	1,963	254	1,632
VHF LPTV	106	163	269
UHF LPTV	282	1,143	1,425
■ Total LPTV	388	1,306	1,694
VHF translators	3,067	109	3,176
UHF translators	2,179	348	2,527
ITFS[2]	250	114	364
Low-power auxiliary	824	0	824
TV auxiliary	7,430	205	7,635
UHF translator/boosters	6	0	6
Experimental TV	3	5	8
Remote pickup	12,338	53	12,391
Aural STL[3] & intercity relay	2,836	166	3,002

CABLE†	
Total subscribers	**45,000,000**
Homes passed	**71,500,000**
Total systems	**8,000**
Household penetration†	**51.1%**
Pay cable penetration	**28.6%**

* Includes off-air licenses. † Penetration percentages are of TV household universe of 88.6 million. [1] Construction permit. [2] Instructional TV fixed service. [3] Studio-transmitter link.

original petition had been prompted by story in *Wall Street Journal* that said advertisers prepared two sets of commercials, one for networks and one for independents with "looser" standards on realistic portrayal of toys' abilities. INTV President Preston Padden said he had been unaware of dual standards practice.

On June 8, children's television bill breezed through House 328 to 78; chances for passage are good. NAB says it won't fight bill, but has reserved right to oppose changes that might occur when Senate acts. Office of Management and Budget released statement opposing bill, stopping short of recommending veto.

Bill is product of negotiations between Subcommittee Chairman Ed Markey and NAB and proposes commercial limits in children's programs of 10½ minutes per hour on weekends and 12 minutes on weekdays. Measure has undergone considerable revisions and excisions, among latter language requiring broadcasters to air one hour per day of informational and educational programing and provisions to curb so-called program-length commercials.

Comparative Renewal

FCC took first step toward revamping much-maligned comparative renewal process, launching combined rulemaking and inquiry at June 23 meeting aimed at making it easier for broadcasters to win comparative renewal hearings and discouraging groups from using process to "extort" money from broadcasters.

The FCC proposed limiting payments broadcasters can make to challengers in settlements of comparative renewal proceedings and to groups in exchange for withdrawal of petitions to deny renewals. In addition, it proposed requiring fuller ownership and financial disclosure information from competing applicants, clarifying standards that broadcasters must meet to win "renewal expectancies" and reconsidering some criteria used in comparative hearings, particularly diversity of ownership.

FCC stopped short of proposing two-step renewal process, by which FCC would first decide whether to renew license before considering competing applicants.

Talk of reform comes as thousands of radio and television stations file for renewal over next few years. Most prominent comparative renewal case, involving CBS's WBBM-TV Chicago, was settled two weeks ago when CBS agreed to pay only legal expenses of challenger, Center City, in exchange for its dropping of challenge. Settlement followed FCC administrative law judge denial of most of Center City's discovery requests. FCC has also ordered comparative renewal hearing for Viacom's KMOV-TV St. Louis and WWOR-TV New York and is preparing orders affecting several other television stations.

Compulsory License

FCC is conducting inquiry into cable compulsory license, and may have "front burner" item ready for action in late summer or early fall. If views of FCC Chairman Dennis Patrick are guide, inquiry could lead to recommendation that Congress abolish license, although Patrick has acknowledged that abolishing it for carriage of local stations would create some practical problems.

Reexamination of license on Capitol Hill could occur in context of broadcasters' efforts to resurrect must-carry requirements there. House Telecommunications Subcommittee member John Bryant (D-Tex.) has offered legislation (BROADCASTING, April 4) to condition compulsory license on whether cable operator is carrying local broadcast signals. Senate Copyright Subcommittee Chairman Dennis DeConcini (D-Ariz.) offered similar measure in June (BROADCASTING, June 20). NAB television board has directed staff to investigate all aspects of compulsory license as part of joint board's consideration of must-carry issues. In comments on license inquiry, cable generally supported retention of license while program producers opposed it. NAB softened its long-standing opposition, arguing that license should be left alone for time being.

Crossownership

Telco-cable—FCC has tentatively concluded it should recommend Congress lift cross-ownership ban on telephone companies providing cable television service in their service areas. Commission, which made proposal at its meeting Wednesday, July 20, will seek comments on subject, as well as on separate considerations to loosen its own regulatory restrictions on crossownership. FCC move follows National Telecommunications and Information Administration report on cable television regulation that recommended that telephone companies be allowed to serve as transporters of others' programing in telcos'

The Fifth Estate
Broadcasting
incorporating
TELEVISION

Founder and Editor
Sol Taishoff, *(1904-1982)*
1705 DeSales Street, N.W. Washington 20036
Phone 202-659-2340

□

Lawrence B. Taishoff, *publisher*

Editorial

Donald V. West, *managing editor*
Mark K. Miller, Harry Jessell, *assistant managing editors*
Leonard Zeidenberg, *chief correspondent*
Kira Greene, *senior news editor*
Matt Stump, Kim McAvoy, John S. Eggerton, *associate editors*
Susan Dillon, *assistant editor*
Scott Fitzpatrick, Randall M. Sukow *(technology)*
Peter D. Lambert, *staff writers*
Anthony T. Sanders, *systems manager*
Todd F. Bowie, Ed Kaitz, *production*
Edwin H. James, *senior editorial consultant*

Broadcasting ■ Cablecasting Yearbook

David Seyler, *manager*
Joseph A. Esser, *associate editor*
Lucia E. Cobo, *assistant manager*
Deborah Segal, *editorial assistant*

Book Division

David Dietz, *manager*

Advertising

Washington
Robert (Skip) Tash, *Southern sales manager*
Doris Kelly, *sales service manager*
Meg Robertie, *classified advertising manager*

New York
David Berlyn, *senior sales manager*
Charles Mohr, Stacey Kibel, *sales managers*

Hollywood
Tim Thometz, *sales manager*
Schiff & Associates, *(Western Equipment and Engineering) 213-393-9265*

Circulation

Kwentin K. Keenan, *circulation manager*
Patricia Waldron, *data entry manager*
Debra DeZarn, Joseph Kolthoff, Shaun Gehan, Vardell McPhatter

Production

Harry Stevens, *production manager*
Rick Higgs, *production assistant*

Administration

David N. Whitcombe, *vice president operations*
Philippe E. Boucher, *controller*
Tracy Henry, *assistant controller*
Albert Anderson, *office manager*
Nancy Miller, *personnel administrator*
Derrick Dawkins, Aretha Hall

Corporate Relations

Patricia A. Vance, *director*

Bureaus

New York: 630 Third Avenue, 10017
Phone: 212-599-2830
Geoff Foisie, *chief correspondent*
Vincent M. Ditingo, *senior editor, radio*
Adam Glenn, *assistant editor*
Scott Barrett, *staff writer*
June Butler, *advertising assistant*
Cecelia Tyson

Hollywood: 1680 North Vine Street, 90028
Phone: 213-463-3148
Tim Thometz, *Western sales manager*
Sandra Klausner, *editorial-advertising assistant*
Stephen McClellan, *chief correspondent*
Steve Coe, *staff writer*

International Advertising Representatives

Europe and United Kingdom: Lucassen International, John J. Lucassen, Kamerlingh Onneslann 67, 1171 AC Badhoevedorp/Amsterdam, Netherlands. Phone 31(2968)6226. Telex: 18406 harke nl. ■ *Japan:* Masayuki Harihara, Yukari Media Inc., 9-4-302 Miyakojima-kitadori, 2 chome, Miyakojima, Osaka, 534 Japan. Phone (06) 925-4452. Telex: 02423928

□

Broadcasting Publications Inc.
A Times Mirror Business Publication

Lawrence B. Taishoff, *president*
Donald V. West, *vice president*
David N. Whitcombe, *vice president*

Founded 1931. *Broadcasting-Telecasting** introduced in 1946. *Television** acquired in 1961. *Cablecasting** introduced in 1972. □ * Reg. U.S. Patent Office. □
Copyright 1988 by Broadcasting Publications Inc.

December

Dec. 7-9—Western Cable Show, sponsored by *California Cable TV Association*. Anaheim Convention Center, Anaheim, Calif. Information: (415) 428-2225.

Dec. 13—Presentation of Women at Work broadcast awards, sponsored by *National Commission on Working Women*. Capital Hilton, Washington. Information: Sandra Porter (202) 737-5764.

January 1989

Jan. 4-8, 1989—*Association of Independent Television Stations* annual convention. Century Plaza, Los Angeles.

Open Mike

Reregulation request

EDITOR: As a former broadcast journalist (I've been news director of a small television station and two radio stations), I still follow communications issues in BROADCASTING, especially broadcast deregulation. I read with particular interest the story in the July 11 issue concerning the Gillett stations being on the market. Now that the stations have been milked for all they are worth and there may not be another buyer willing to pay a higher price, the owners are worried they may have trouble servicing the large debt incurred to buy stations.

Since deregulation, the word "service" is seldom heard among station owners. The only important thing is: "How much can we sell the station for in the shortest amount of time?" When General Electric took over RCA as a white knight, it soon dumped NBC Radio because it couldn't milk enough money from it. Forget 60 years of tradition and service; the bottom line is all that matters.

Cable also needs to be reregulated. Since deregulation, the cable company serving the West San Fernando Valley of Los Angeles (Cablevision Industries) has increased basic (not pay) rates almost 50%. In April, my basic cable bill increased just under 40% with no increase in service (unless additional teletext ad channels count as new services). Of course, the cable service doesn't carry all the local signals even though they have a de facto monopoly since reception over the air isn't that great.

I feel that the FCC or Congress needs to regulate the broadcast and cable industries. I am not against free enterprise and making a profit, but the "public interest, convenience and necessity" need to be considered also—*Craig Bryan, Chatsworth, Calif.*

Confused

EDITOR: It isn't surprising that in this industry sometimes you get the feeling that you're living in never, never land. A struggling UHF station in Kansas City gets fined by the FCC for showing a movie considered to be indecent. Meanwhile in the same house on a different set anybody—adult or child—can be watching a cable channel with the most outrageously foul comedy material available. If the public's sensitivity is really what's at stake, this situation makes no sense at all. It's time the commission and the Congress really understood what's going on in this world—*Robert C. Wiegand, executive vice president and general manager, WPEC(TV) West Palm Beach, Fla.*

Taking issue

EDITOR: The recent "Monday Memo" (BROADCASTING, July 4), "Television is the Key to Baby Boomers' Buying," by Michael R. Smythe, made interesting reading. However, I am appalled to see a representative of America's so-called major and dominant medium make such comments as "Attempting to entice clients by punching push buttons in a radio while in rush hour traffic…is not worth the investment."

I'm sure Mr. Smythe, like us at the RAB, takes seriously his assignment to promote the use of his advertising medium. It seems to me that Mr. Smythe has many positives to sell representing America's so-called dominant medium, so why does he resort to such cheap shots? Clients are much too intelligent to buy such thinking.

Television is a great, effective medium, and used properly, so is radio. Shame on you, Mr. Smythe.—*William Stakelin, president and CEO, Radio Advertising Bureau, New York.*

In conclusion

EDITOR: Thank you very much for publishing my commentary on HDTV in your June 13 "Monday Memo" column.

While I took issue with the cost effectiveness of NHK's MUSE system to achieve a high resolution 16:9 aspect ratio, NTSC noncompatible transmission system for TV, part of my concluding paragraph was edited out, probably due to space considerations. I would appreciate it if you could print this section as it could change the tonality of my piece.

The last paragraph shoud read:

"In the final analysis, it is not a case of U.S. technology vs. other technologies. Rather, it is a case of finding the most cost-effective way to provide enhanced performance television to the public. I would much rather have a $10-billion solution to providing HDTV to the public, regardless of which country makes the TV sets, than to create a $200-billion solution because we impose the wrong standard. The latter simply would not work. Let's all focus our energies on the right target. With the continuing advances being made in high density memory and digital signal-processing integrated circuit chips, it will not be too long before all television transmission will be digital. Let the futurists among us start to look at that transition in standards."—*John J. Sie, senior vice president, Tele-Communications Inc., Denver.*

against network news programing on CBS and NBC affiliates. First place went to *ABC World News Tonight*.

Because the sitcom cost the station far less to purchase than would an off-network sitcom—$20,000 per episode against $35,000 per episode for *Facts of Life*, for instance—Robertson said that selling commercials at the same cost-per-point would leave the less expensive show with the better return on investment to the station.

But, according to station rep Katz TV executive John Von Soosten, the Philadelphia results are far from conclusive. "One market doesn't a ratings history make," said Von Soosten, who added that "intelligent scheduling" may have made the program appear stronger than it might otherwise be.

Agreeing that the first results were not enough was Dick Kurlander of rep firm Petry. "Philadelphia is an isolated instance. You're looking at a very lucky set of circumstances."

Robertson believes, however, the news from Philadelphia will bode well for Lorimar's next first-run strip syndication, *Mama's Family*, its highest rated first-run sitcom, going into syndication March 1989 with 110 episodes.

MCA TV Enterprises President Shelly Schwab also expressed confidence in the ongoing syndication sales of *Charles*, which the company is planning to strengthen with a promotional campaign next month.

The sitcom, which Schwab said has a year-to-date household rating of 5 and is the number-one first-run sitcom among, combined, young women, teen-agers and children, goes into syndication next January with 100 episodes guaranteed.

Lorimar's Robertson argued, with concurrence from Schwab, that if strong performances continue for first-run strips, the programs would not just be viable for independents or for affiliates in fringe, but for top 50 market affiliates in access as well.

Sitcoms are not now found in access on top 50 affiliates, other than with the NBC first-run checkerboard experiment, because the FCC's prime time access rule prohibits those stations from running off-network fare during that daypart.

"The jury is still out on stripping," said Schwab. "[And] it's such a new form. But a program is a program. If done well and with the same production values, I see no reason why not" for affiliates to use first-run sitcoms in access.

Katz's Von Soosten recalled that one of the original selling points for top-50-market affiliates to become involved in first-run product was that if successful, it would provide material for stripping in access.

"It was a terrific concept," said Von Soosten. "But in actual practice, I haven't seen any [first run sitcoms] that are really strong hits. Some are stronger, but not strong enough to strip in access." Von Soosten said the first-run product in its weekly slot has generally proved just average and less than average" relative to other shows in the time period.

According to Petry's Kurlander, "I don't see any reason for top 50 affiliates to get into that game. There is nowhere to go. Why get into [first-run] sitcoms when you're up against all the top guns of off-network sitcoms? Why finagle yourself into sitcoms when you can't have the best?"

Kurlander said that in typical markets, first-run strips would have to compete in access with such hits as *Wheel of Fortune*, *Jeopardy!*, *Family Feud* and *A Current Affair*, or potential hits including *USA Today*, *The Cosby Show* (on top market independents), as well as a handful of other off-network sitcoms such as *Who's the Boss?* and *Growing Pains*.

Von Soosten also noted that for affiliates bringing in their first sitcom at 7 p.m. or 7:30 p.m., following local or network news, it would be difficult to win over audiences that have been viewing competing independents' sitcom blocks starting at 5 p.m. or 6 p.m.

"If the checkerboard had been successful," said Kurlander, "then it would have been a different story. We would see stations continue to run checkerboards, then roll them into potential strips."

Schwab said: "What affiliates have to do is learn from independents. [Affiliates] have lost share because indies have been more aggressive in pursuing new forms" of programing.

"It's the obligation of stations to recognize what's going to happen if we [the studios] choose not to invest in first-run sitcoms," cautioned Schwab. "If stations don't come forward and support [first-run] in strip, off-network becomes the only choice."

Supporting the new form is to the stations' advantage, Schwab added, because with so few off-network sitcoms coming to market, the few that do come with "enormous price tags." □

Dems take Dukakis, NBC takes week

Nielsen		Net		AGB	Nielsen		Net		AGB
1.	15.6/33	N Golden Girls	1.	17.5/37	30.	8.4/19	A Perfect Strangers	32.	8.3/18
2.	15.3/33	N Hunter	6.	14.4/30	31.	8.3/18	C Beauty and the Beast	33.	8.1/18
3.	15.3/31	N Cosby Show	2.	16.8/33	32.	8.3/15	C Blue Skies	24.	9.5/18
4.	14.5/32	C 60 Minutes	5.	14.4/33	33.	8.0/15	N NBC: Convention, Thu.	25.	9.4/18
5.	14.2/25	N NBC Sunday Movie	11.	13.0/23	34.	7.8/15	A ABC: Convention, Tue.	35.	7.6/14
6.	13.8/27	C Murder, She Wrote	4.	14.4/29	35.	7.5/16	C Tour of Duty	51.	5.8/12
7.	13.7/29	N Amen	3.	14.5/30	36.	7.0/14	A MacGyver	52.	5.7/11
8.	13.4/27	A 20/20	7.	13.5/27	37.	7.0/13	A Why on Earth?	36.	7.5/14
9.	13.4/24	C CBS Sunday Movie	8.	13.3/24	38.	7.0/15	C West 57th	37.	7.4/16
10.	12.5/24	N ALF	12.	12.8/24	39.	6.9/13	A ABC: Convention, Wed.	40.	6.9/13
11.	12.1/22	A ABC Sunday Movie	14.	11.6/21	40.	6.7/13	A ABC: Convention, Thu.	48.	6.3/12
12.	11.7/26	N 227	10.	13.0/29	41.	6.7/13	C CBS: Convention, Wed.	38.	7.2/14
13.	11.1/22	N Heart and Soul	9.	13.1/25	42.	6.7/13	C CBS: Convention, Tue.	41.	6.9/13
14.	10.8/21	A Who's the Boss?	13.	12.1/27	43.	6.5/13	N NBC: Convention, Wed.	34.	7.8/15
15.	10.8/22	N Miami Vice	22.	10.5/21	44.	6.4/13	C CBS Friday Movie	42.	6.8/14
16.	10.7/20	A Full House, Tue.	17.	11.2/21	45.	6.4/13	C CBS: Convention, Thu.	39.	7.0/14
17.	10.4/22	A Mr. Belvedere	16.	11.2/23	46.	6.3/14	A Supercarrier	54.	5.3/12
18.	10.1/20	A Growing Pains	18.	11.0/21	47.	6.2/11	N NBC: Convention, Mon.	43.	6.7/13
19.	9.9/20	A I Married Dora	23.	10.0/20	48.	6.1/13	A Ohara	47.	6.5/13
20.	9.9/19	N Matlock	15.	11.3/21	49.	5.9/14	C Kate and Allie	44.	6.7/16
21.	9.8/19	A Head of the Class	21.	10.6/20	50.	5.9/13	N Rags to Riches	50.	6.0/14
22.	9.6/20	N Family Ties	29.	8.9/18	51.	5.8/11	C CBS: Convention, Mon.	49.	6.2/11
23.	9.4/22	N Facts of Life	19.	10.6/25	52.	5.7/12	A Hotel	53.	5.5/12
24.	9.2/18	N My Two Dads	26.	9.3/18	53.	5.7/10	A ABC: Convention, Mon.	46.	6.5/12
25.	9.0/17	C Jake and the Fatman	20.	10.6/20	54.	5.7/11	N Down Delaware Road	45.	6.5/12
26.	8.7/17	N NBC: Convention, Tue.	27.	9.2/18	55.	5.4/12	A Disney Sunday Movie	57.	4.8/11
27.	8.6/18	A Full House	28.	9.0/19	56.	5.0/10	C CBS Summer Playhouse	56.	5.2/10
28.	8.6/19	N Best of TV Bloopers	30.	8.8/19	57.	4.9/11	C Frank's Place	58.	4.7/10
29.	8.5/17	N Miami Vice, 9 p.m.	31.	8.3/17	58.	4.8/10	A Divided We Stand	55.	5.3/10

©1988 Nielsen Media Research and AGB Television Research